

# Qantas and tolls roads are corporate state fascism rubbed in Aussie faces

The Qantas scandal besetting Prime Minister Anthony Albanese is bigger than one politician. Aside from what Albanese has to answer for (which it seems he shares with plenty of other politicians), the bigger issue is the shameless influence that a private corporation, which is a nearmonopoly, exercises over the government.



Qantas customers have experienced chaos and disruption resulting from the savage cuts Alan Joyce made while receiving public financial support. Photo: Screenshot

Qantas is not alone. The big banks enjoy similar influence. So does the rapacious gas cartel that's trying to fool the citizens of one of the world's largest gas exporters that we are running short of gas. And so too do the owners of Australia's private toll roads, which is mainly one company—Transurban. ABC *Four Corners* on 21 October reported extraordinary details of how the governments of Victoria, New South Wales, and Queensland have arrangements with Transurban that assists the company to literally plunder motorists in their capital cities.

These are all examples of actual *fascism*—Benito Mussolini's corporativism or the corporate state, the merger of state and corporate power.

In his 1938 "[Message to Congress on Curbing Monopolies](#)", which could have been written for Australia in 2024, US President Franklin D. Roosevelt defined fascism this way:

"Unhappy events abroad have retaught us two simple truths about the liberty of a democratic people. The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. *That, in its essence, is Fascism—ownership of Government by an individual, by a group, or by any other controlling private power.*

"The second truth is that the liberty of a democracy is not safe if its business system does not provide employment and produce and distribute goods in such a way as to sustain an acceptable standard of living.

"Both lessons hit home. Among us today a concentration of private power without equal in history is growing." (Emphasis added.)

## The Chairman's Lounge

Former *AFR* columnist Joe Aston's new book about Qantas, *The Chairman's Lounge*, which has highlighted Albanese's relationship with former Qantas CEO Alan Joyce, reveals a near-monopoly that shamelessly cultivates political power.

Qantas boasts over 16 million Australians as members of its Frequent Flyer program—an enormous market share. It gifts membership of the Qantas Chairman's Lounge, called the most exclusive club in Australia, to every member of parliament, as well as to the nation's top judges. Coincidentally—or not—more than 90 per cent of all Australian government air travel, taken by everyone from politicians all the way to lowly bureaucrats, is booked on Qantas.

During COVID, Qantas received billions in government support—with no strings attached—but turned around and savagely sacked 10,000 workers (1,700 of them illegally, for which it was recently fined \$100 million). Because of the scale of the job cuts made when very few flights were being taken, it was impossible to operate a functional airline when the economy opened up again—as thousands of Australians discovered painfully in the subsequent chaos of air travel.

How did Qantas get away with abusing the entire Australian population while having the gall to falsely call itself Australia's national airline (which it hasn't been since it was privatised)? Chairman's Lounge memberships and free upgrades to first class for politicians to remind them they aren't in "charge", but in "partnership" with the corporate power-elite would no doubt have helped.

## Toll road extortion



Four Corners graphic of the toll roads covering Sydney that cost some truck drivers as much as 20 per cent of their income. Photo: Screenshot

Starting in the 1990s with Sydney's M2 Hills Motorway, state governments in NSW and Victoria signed deals with Macquarie Bank's Macquarie Infrastructure Group to build private toll roads in Sydney and Melbourne, on the pretext that governments didn't have the money to build the infrastructure, so let the private sector do it. Except the concessions the governments gave to Macquarie Bank, to ensure its investments were profitable, indentured motorists for decades to a financial burden that would increase relentlessly to the point where today it's at breaking point.

The reality is, this burden was by design. In 2003, a director of Macquarie Infrastructure Group, Denis Eager, boasted: "We can put up the tolls by whatever we like and ... we can start the tolls on day one by whatever we like. If [motorists] don't complain about it being too high, then we won't have done our job." Macquarie has since sold its toll roads to Transurban, which also owns all of Brisbane's toll roads, but the treatment of motorists is the same.

The ABC *Four Corners* story, "Road Gold", interviewed truck drivers in Sydney who spent as much as 20 per cent of their income on tolls. Transurban's deals with the state governments allow it to increase its tolls by 4 per cent a year or CPI, whichever is highest, giving the company a windfall in the past few years of high inflation, which its tolls have made worse.

"In the past two years, its annual toll road revenue has jumped by almost a billion dollars to three and a half billion", *Four Corners* reported.

Raking in such a bonanza, no wonder Transurban pushed state governments to agree to extend its 50- and 60-year contracts by 15 years or more in exchange for extending the infrastructure, which the states agreed to without putting the extension projects out to tender. Business titan Tony Shepherd, former Chairman of Transfield who negotiated these kinds of deals, was defiant when confronted by *Four Corners*: "So, what's the problem?" Shepherd demanded. "Is there some problem with people making profits?"

Except it's not "people" making the profits. In Victoria, this merger of state and corporate power extends to the state's criminal justice system enforcing Transurban's fines—the first time a government has enforced a private company's fees. *Four Corners* interviewed two tradies who are heavy Citylink users who've ended up with fines of \$86,000 and \$185,000 respectively, and face jail if they can't pay.

Meanwhile, when former competition regulator Allan Fels completed a report on Sydney's toll roads earlier this year, commissioned by newly-elected NSW Premier Chris Minns, NSW bureaucrats stopped him from publishing a part of his report that included modelling of Transurban's projected profits. Fels revealed to *Four Corners* that three deputy secretaries produced legal advice that claimed publishing the modelling showing how much Transurban is creaming from tapped-out Sydney motorists would expose him to a billion-dollar lawsuit and possible criminal sanctions, because it would breach the secrecy provisions of Transurban's contract.

What created this monster? The Qantas monster? The catastrophic chaos that is Australia's electricity system? The neoliberal ideology that governments cannot and/or should not participate in the economy in these essential sectors. For toll roads, the lie was that governments didn't have the money, so instead we do the equivalent of mortgaging future generations to loan sharks. In truth, the governments in the 1990s had the same option for financing infrastructure as the generations before them—public infrastructure bonds, or, even better, cheap public credit from a public bank. The roads could have been built cheaply, with the debt repaid in 15-20 years from the public revenue from the increased economic activity and productivity generated by the infrastructure—and no burden on the public. But the geniuses who gave us neoliberalism, using the slogan that governments are by definition economically incompetent, got the public to accept a short-term fix that became a

disastrous long-term burden, while, more importantly, they fixed government and corporate power at the hip so they could repeat these scams in every sector of the economy, which was the intention all along.

*By Robert Barwick, Australian Alert Service, 30 October 2024*

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